

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
OCTOBER 28, 2013**

The Board of Directors of the Rhode Island Economic Development Corporation (the “Corporation”) met on Monday, October 28, 2013, in Public Session, beginning at 5:00 p.m. at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto as Exhibit A, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Directors absent were: Mr. Karl Wadensten, Mr. Stanley Weiss, Ms. Maeve Donohue, and Mr. Jason Kelly.

Also present were: Marcel Valois and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:02 p.m. indicating

that a quorum was present.

2. EXECUTIVE DIRECTOR'S REPORT

Governor Chafee introduced Executive Director Marcel Valois to discuss the Executive Director's Report. See Exhibit B. Mr. Valois started his presentation by congratulating Mr. Nee on his reelection to the Board and Mr. Fiore on his recent induction into the Bishop Hendricken High School Hall of Fame. Mr. Valois began his report to the Board by announcing that the Corporation had recently been awarded a grant from the United States Department of Commerce, Economic Development Administration to build a business plan around the Center for Design and Manufacturing concept. Mr. Valois stated that they are putting together a 12-member team made up of individuals from the Rhode Island Manufacturing Association, local colleges and universities and any interested manufacturing partners. The team expects to have the program study completed within 6 to 8 months. Mr. Valois advised that he would provide a further update to the Board at next month's meeting.

Mr. Valois next reported on the status of the Rhode Map Focus Groups, stating that there had been tremendous attendance at the first round of workshops. Over 172 people took part in 8 different sector focus groups, resulting in significant discussions and insight. Mr. Valois noted that many members of the Board attended the focus groups and called on them to provide their impressions. Ms. Francis

then addressed the Board stating that she had attended the meeting of the Arts and Culture sector and that the group was very passionate and positively engaged, and as such, they will be working to advance a common agenda between the non-profit and for-profit communities.

Ms. Brawley next addressed the Board advising that she had attended the Agriculture and Aquaculture sector group. Ms. Brawley commented that she felt very positive about the feedback from the workshop and thanked Mr. Valois, his staff and the Rhode Island Foundation for putting the workshops together. She added that the participants agreed to change the sector designation to the “Natural Resource” economic sector, because it was a better representation of the group.

Dr. Carriuolo then addressed the Board to report on her participation in the Finance, Insurance, Real Estate sector workshop, stating that she too felt very positive about the outcome of the workshop, the questions raised and comments presented by the participants. Dr. Carriuolo specifically noted the common themes discussed by the participants: (1) support for Rhode Island’s existing workforce and related workforce training and education issues; (2) taxes, regulations and related issues; (3) access to capital; and (4) support for Rhode Island entrepreneurs. Mr. Hebert next reported on his participation in the Technology sector workshop. Mr. Hebert made particular note of the fact that the discussions were very positive in this focus group and that the participants came together in a very collaborative manner. He continued by stating that they focused on

two main areas needed to grow the technology sector in Rhode Island. The first being, talent, particularly in the technology sector, and the other being the availability of capital for start-up technology companies in the State.

Mr. Valois then asked if there were any questions from the Board. Mr. Adams asked how many different focus groups there are. Mr. Valois responded that there were 8 different sectors and that this was the first of three planned workshops. The next round would take place in a few weeks time, with the last round scheduled for the beginning of December. Mr. Valois added that the ideas and feedback derived from the workshops will be compiled into a report to be shared among the sectors and to assist in the Road Map process.

Mr. Valois then introduced Mr. Adams to provide a report on the Access to Capital Sub-Committee. Mr. Adams reported that they had recently met with a New England based business lending company interested in partnering with the Corporation. Mr. Adams added that this company had been in business for over 30 years and concentrates in funding for New England based business. Mr. Adams continued that the company would serve in partnership with the Corporation to provide assistance through the existing capital programs. He stated that they would be discussing the details over the next few months.

3. APPROVAL OF THE PUBLIC SESSION MINUTES OF THE MEETING HELD ON SEPTEMBER 23, 2013

Upon motion duly made by Mr. Fiore and seconded by Adams, the following vote was adopted:

VOTED: To approve the Public and Executive Session Minutes of the meeting of September 23, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Voting against the foregoing were: None.

4. TO INTRODUCE THE ANNUAL AUDIT OF THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION COMPLETED BY LEFKOWITZ, GARFINKEL, CHAMPI & DERIENZO, FOR REVIEW AND APPROVAL AT THE NOVEMBER MEETING

Governor Chafee introduced Mr. Adam Quinlan to discuss the audit as completed by Lefkowitz, Garfinkel, Champi and Derienzo ("LGCD"). See Exhibit C. Mr. Quinlan thanked the Governor and the Board. Mr. Quinlan went on to describe the process for reviewing the annual audit, noting that each Board Member has been provided with

a copy of the draft audit prepared by LGCD for his or her review. He explained that the draft audit might change to some degree as it is being reviewed contemporaneously by the Auditor General of the State and his staff. Mr. Quinlan then introduced Mr. Steve Geremia of LGCD for further discussion of the audit. Mr. Geremia introduced himself to the board, along with Mike Crawley, Senior Audit Manager of LGCD to discuss audit standards and processes, the responsibilities of the Corporation and LGCD in conducting the audit, and the financial statements contained therein. Mr. Geremia stated that the draft financial statements covered the period from June 2012 through June 2013 and consists of the financial accounts and transactions of the Corporation and the Small Business Loan Fund, a subsidiary of the Corporation, for which the Corporation is financial responsible. Mr. Geremia then discussed the structure and contents of the financial statements, adding that the audit report is primarily broken into three main sections: (1) Management's Discussion and Analysis; (2) Primary Financial Statements; and (3) Additional Information to Supplement the Financial Statements. Mr. Geremia then summarized the information, standards, and responsibilities under each section.

Mr. Adams asked Mr. Geremia if LGCD conducted the past audits of the Corporation. Mr. Geremia responded that this is the first year LGCD has prepared the annual audit of the Corporation.

Mr. Valois then stated that a separate work session meeting will be

held prior to the next scheduled Board Meeting, its sole purpose being for the Board Members to review and discuss the draft audit report in detail.

5. TO CONSIDER FOR APPROVAL AUTHORIZATION TO EXECUTE A CONTRACT FOR CLIENT RELATIONSHIP MANAGEMENT (CRM) SERVICES WITH SALESFORCE.COM AND BUAN CONSULTING FOR AN AMOUNT NOT TO EXCEED \$85,000.00

Governor Chafee introduced Mr. Tim Hebert for a presentation with respect to approval to execute contracts for CRM services with Salesforce.com and Buan Consulting. See Exhibit D. Mr. Hebert began his presentation by outlining the methodologies used to evaluate the RFP received and the components that make up a CRM. He continued that after evaluating each RFP, they determined that the Salesforce.com CRM system offered the greatest functionality, reliability, ease of use, system support, and value. Mr. Hebert continued that in addition to evaluating each CRM services provider, they had researched companies to assist in the data migration and implementation of the CRM and have chosen Buan Consulting Services to assist the Corporation in the project. Mr. Hebert stated that the initial start-up costs for the CRM total \$85,000.00. He explained that EDC expects to have the CRM system integrated and initial end-user training completed by January 2014. Mr. Valois indicated that the amount for the project is part of the budget. Ms. Diaz who asked who will be responsible for overseeing the project.

Mr. Hebert responded that Chris Cannata will serve as Project Manager in the near term and Mr. Valois will act as the executive sponsor to ensure that the project is implemented timely and appropriately. He went on to detail how the system will be implemented over time with the help of the consulting group and different groups will utilize and manage the system. Mr. Adams asked whether other Rhode Island municipalities would be able to access or use the system. Mr. Hebert responded that the CRM can be used across government departments to add and share data, with the ability to secure access to system sections and information.

Upon motion duly made by Mr. Nee and seconded by Mr. Fiore, the following vote was adopted:

VOTED: To authorize any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, to execute any and all documents in connection with the contract for Client Relationship Management (CRM) services with Salesforce.com and Buan Consulting for an amount not to exceed \$85,000.00.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Voting against the foregoing were: None.

6. TO CONSIDER FOR APPROVAL THE FOLLOWING RENEWABLE ENERGY FUND MATTERS

- a. A grant to Belcourt of Newport in the amount of \$18,504.79;**
- b. A grant to Pawtucket Financial Corporation in the amount of \$22,500.00; and**
- c. A grant to Apex Warwick in the amount of \$22,500.00.**

Governor Chafee introduced Hannah Morini for a presentation on the Renewable Energy Fund. See Exhibit E. Mr. Valois advised the Board Members that Ms. Brawley and Dr. Carriuolo had recused themselves from voting with respect to the grant request to Belcourt of Newport. Ms. Morini then began her presentation by stating that there were three projects before the Board for approval. Ms. Morini continued that the three grant requests were for solar projects under the Commercial Development Program for a total of 77 kW, with grant requests totaling about \$63,000.00. The first project is Belcourt of Newport. The company submitted 1 project for a total of 18 kW and requested a grant amount of \$18,504.79. The total contract price is \$92,523.97. The second application is from Pawtucket Financial Corporation. The parent company is Teknor Apex who submitted 2 projects. Pawtucket Financial Corporation's project is 29.757 kW and requested a grant amount of \$22,500.00. The total project cost is \$112,500.00. The third application is from Apex Warwick, also a subsidiary of Teknor Apex. The company submitted 1 project for a total of 29.757 kW and requested a grant amount of \$ 22,500.00. The total project cost is \$112,000.00.

Ms. Morini then summarized 2013 Commercial Development Direct Funding Program stating that the program had awarded grants for 6

Solar Photovoltaic projects, for 185 kW and awards totaling \$172,315.19. Mr. Adams asked what the cap was for individual awards. Ms. Morini responded the awards were capped at \$75,000.00.

The consideration of the Belcourt of Newport grant award was held until the next Board Meeting.

Upon motion duly made by Mr. Nee and seconded by Mr. Adams, the following vote was adopted:

VOTED: To approve the Renewable Energy Fund matters, pursuant to the Resolution submitted to the Board of Directors, exempting 6(a) Belcourt of Newport.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit F.

7. TO CONSIDER MATTERS IN RELATION TO THE LITIGATION PENDING BEFORE THE PROVIDENCE SUPERIOR COURT KNOWN AS RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION V. WELLS FARGO SECURITIES, LLC, ET AL

Upon motion duly made by Ms. Brawley and seconded by Mr. Adams, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Law Section 42-46-5(a)(2) or (4) to enter into executive session to consider to

consider matters in relation to the litigation pending before the providence superior court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Voting against the foregoing were: None.

Members of the board, counsel and staff entered into closed session at 5:59 p.m.

The public session reconvened at 6:51 p.m.

Upon motion duly made by Mr. Adams and seconded by Mr. Nee, the following vote was adopted:

VOTED: That the minutes of the Executive Session shall not be made available to the public, except as to the portions of such minutes as the Board of Directors ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were Mr. Jerauld Adams, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Tim Hebert, Ms. Elizabeth Francis, Ms. Judith Diaz, Dr. Nancy Carriuolo, and Mr. George Nee.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session a unanimous vote of the Board was taken in accordance with R.I.G.L. 42-46-4(b)(2) to keep all votes taken in the Executive session confidential so as not to jeopardize any strategy, negotiation, or investigation undertaken with respect to the litigation.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:52 p.m., upon motion made by Mr. Nee and seconded by Mr. Diaz.

Thomas Carlotto, Secretary

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
PUBLIC NOTICE OF MEETING**

A meeting of the Rhode Island Economic Development Corporation Board of Directors will be held at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island, on Monday, October 28, 2013, beginning at 5:00 p.m. for the following purposes:

PUBLIC SESSION

- 1. To consider for approval the Public and Executive (Confidential) Session Minutes for the meeting held on September 23, 2013.**
- 2. To consider, as may be appropriate, matters covered in the Executive Director's Report.**
- 3. To introduce the annual audit of the Rhode Island Economic Development Corporation completed by Lefkowitz, Garfinkel, Champi & DeRienzo, for review and approval at the November meeting.**
- 4. To consider for approval authorization to execute a contract for Client Relationship Management (CRM) services with Salesforce.com and Buan Consulting for an amount not to exceed \$85,000.00.**
- 5. To consider for approval the following Renewable Energy Fund matters:**
 - d. A grant to Belcourt of Newport in the amount of \$18,504.79;**
 - e. A grant to Pawtucket Financial Corporation in the amount of \$22,500.00; and**
 - f. A grant to Apex Warwick in the amount of \$22,500.00.**
- 6. To consider matters in relation to the litigation pending before the Providence Superior Court known as Rhode Island Economic**

Development Corporation v. Wells Fargo Securities, LLC, et al.*

*** Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.**

This notice shall be posted no later than 5:00 p.m. on Thursday October 24, 2013, at the Office of the Rhode Island Economic Development Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Economic Development Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: October 24, 2013